

AMENDED IN SENATE MAY 25, 2012

AMENDED IN SENATE APRIL 25, 2012

AMENDED IN SENATE APRIL 17, 2012

SENATE BILL

No. 1427

**Introduced by Senator De León
(Coauthor: Senator Corbett)**

February 24, 2012

An act to add Article 5 (commencing with Section 12230) to Chapter 4 of Part 2 of Division 2 of the Public Contract Code, relating to public contracts.

LEGISLATIVE COUNSEL'S DIGEST

SB 1427, as amended, De León. State contracts: electronic goods: bid preference for refurbished electronics.

Existing law requires a state agency to meet certain requirements with respect to purchasing recycled products, as specified. Existing law requires a local public entity, if fitness and quality are equal, to purchase recycled products instead of nonrecycled products whenever recycled products are available, as specified, and authorizes a local public entity to give preference to suppliers of recycled products.

The Target Area Contract Preference Act requires the state, when preparing a solicitation for a contract for goods or services in excess of \$100,000, to award a preference to a California-based company that meet specified requirements, and the act also limits the maximum preference for a bidder under that act and all laws to a cumulative 15% or \$100,000, as provided.

This bill would require a state agency that accepts bids or proposals for a contract for electronic goods to provide a preference of 5%, as

specified, to a company that offers to fulfill the contract *only* with refurbished electronics, as defined. *This bill would also specify that the maximum preference under this bill and all laws is a cumulative 15% or \$100,000, as provided.*

Vote: majority. Appropriation: no. Fiscal committee: yes.
State-mandated local program: no.

The people of the State of California do enact as follows:

SECTION 1. Article 5 (commencing with Section 12230) is added to Chapter 4 of Part 2 of Division 2 of the Public Contract Code, to read:

Article 5. Refurbished Electronics Preference

12230. (a) For the purposes of this article, “refurbished electronics” means any electronic device that the manufacturer has tested and returned to a condition that meets factory specifications for the device, has repackaged, and has labeled as refurbished.

(b) Notwithstanding any other ~~provision~~ law, any state agency that accepts bids or proposals for a contract for electronic goods shall provide a preference of 5 percent to a ~~business bidder~~ that offers to fulfill the *entire* contract *only* with refurbished electronics. The preference shall be provided as follows:

(1) For solicitations to be awarded to the lowest responsible bidder meeting specifications, the preference shall be 5 percent of the bid price of the lowest responsible bidder meeting specifications.

(2) For solicitations to be awarded to the highest scored bidder based on evaluation factors in addition to price, the preference shall be 5 percent of the total score of the highest scored bidder.

(3) The preferences awarded pursuant to paragraph (1) or (2) shall not be awarded to a noncompliant bidder and shall not be used to satisfy any applicable minimum requirements.

(4) In order to be eligible for the 5-percent preference authorized pursuant to this section, a ~~business bidder~~ shall submit all required substantiating documentation and information needed by the state agency to determine if the ~~business bidder~~ is eligible for the preference.

1 (5) *Notwithstanding any other law, both of the following apply:*

2 (A) *The maximum preference a bidder may be awarded pursuant*
3 *to this article and any other provision of law shall be 15 percent.*

4 (B) *The combined cost of preferences granted pursuant to this*
5 *article and any other provision of law shall not exceed one hundred*
6 *thousand dollars (\$100,000).*

7 (c) The Department of General Services shall establish a process
8 to verify that a ~~business~~ *bidder* meets the criteria for the 5-percent
9 preference established by this article.

10 (d) This section shall not be construed to require a state agency
11 to compromise its immediate mission or ability to function and
12 carry out its existing responsibilities.